

Message Text

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ACTION ARA-14

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FM AMEMBASSY BRASILIA

TO SECSTATE WASHDC 0000

INFO AMCONSUL RIO DE JANEIRO

AMCONSUL SAO PAULO

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E.O. 11652: N/A

TAGS: EINV, BR

SUBJ: REPORTED GOB ANTI-TRUST CASE INVOLVING US FIRM

REFS. (A) STATE 122741, (B) 74 RIO 3543, (C) 74 STATE 204338

(D) 74 RIO 1685, (E) RIO 2578 (NOTAL)

1. CONGEN RIO HAD EXTENSIVE CONTACT WITH MIROW IN 1974. MIROW WAS VERY ACTIVE AT THAT TIME IN PRESSING JUDICIAL ACTION THROUGH THE GOB ADMINISTRATIVE COUNCIL FOR ECONOMIC DEFENSE (CONSELHO ADMINISTRATIVO DE DEFESA ECONOMICA - CADE), A SPECIAL COURT WHICH HEARS CASES INVOLVING THE ABUSE OF ECONOMIC POWER, AGAINST THE SWISS FIRM BROWN BOVERI. MIROW AT THE SAME TIME VISITED WASHINGTON (AT HIS OWN EXPENSE) AND TALKED TO THE ANTI-TRUST DIVISION OF THE DEPARTMENT OF JUSTICE AND TO EITHER SEN. KENNEDY'S OR SEN. CHURCH'S OFFICE. WE ALSO BELIEVE THAT HE VISITED EUROPE. REFS. (B), (C), AND (D) ARE INDICATIVE OF THE CABLE TRAFFIC ON THIS MATTER.

3. THE CASE AGAINST BROWN BOVERI RECEIVED A FULL HEARING AND WAS RESOLVED IN 1975 IN FAVOR OF THE COMPANY. THE RIO DAILY O GLOBO REPORTED ON JUNE 7, HOWEVER, THAT

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CADE HAD STARTED ANTI-TRUST HEARINGS AND HAD SUMMONED TEN PRESENT OR PAST OFFICERS OF MULTI-NATIONAL CORPORATIONS IN THE ELECTRICITY GENERATING EQUIPMENT FIELD TO TESTIFY. INCLUDED IN THIS GROUP ARE GENERAL ELECTRIC, WESTINGHOUSE, BROWN BOVERI, SIEMENS, AND ACEC-CHARLEROI. IT IS NOT CLEAR IF MOROW IS BEHIND THIS CASE AS WELL.

4. MIROW'S 1974 ALLEGATIONS, AS WELL AS OTHER FACTORS, INSPIRED THE BRAZILIAN CHAMBER OF DEPUTIES TO HOLD HEARINGS IN 1975 ON "THE BEHAVIOR AND INFLUENCE OF MULTINATIONAL CORPORATIONS AND FOREIGN CAPITAL IN BRAZIL." WE ARE ATTEMPTING TO OBTAIN A COPY OF THE TRANSCRIPT OF THE HEARINGS TO DETERMINE IF MIROW TESTIFIED OR WAS IN ANY OTHER WAY INVOLVED.

5. WE UNDERSTAND MIROW'S BOOK IS BANNED HERE, AND IN FACT CHARGES MAY BE BROUGHT AGAINST HIM BY GOB FOR "DISCREDITING THE GOVERNMENT BEFORE PUBLIC OPINION."

6. OFFICER WHO INTERVIEWED MIROW IN 1974 STATES THAT MIROW IMPRESSED HIM AS BEING "INTELLIGENT, BUT PERHAPS SLIGHTLY UNBALANCED." HE ALSO WONDERED ABOUT MIROW'S SOURCES OF INCOME, SINCE CODIMA IS A SMALL COMPANY AND COULD NOT HAVE PROVIDED FUNDS TO TRAVEL TO THE US AND EUROPE NOR FOR EXTENSIVE DUPLICATION OF THE DOCUMENTS HE SUPPLIED FREELY TO CONGEN AS WELL AS TO OTHERS. MIROW HAS RECEIVED NO MAJOR COVERAGE OF HIS ALLEGATIONS RECENTLY, NOR DOES EMBASSY HAVE ANY BIOGRAPHIC INFORMATION ON HIM.

7. WE WILL MAKE FURTHER INQUIRIES ON NATURE AND SCOPE OF NEW CADE HEARINGS REPORTED BY O GLOBO, JUNE 7.

CRIMMINS

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